

Vail Resorts Announces Fiscal 2002 Second Quarter And Six Month Results

- FY 2002 second quarter Resort EBITDA better than same quarter last year by 8.6%
- FY 2002 second quarter Real Estate NOI better than same quarter last year by 171.5%
- FY 2002 second quarter EPS better than same quarter last year by 41.3% per diluted share

VAIL, Colo. - Feb. 27, 2002 - Vail Resorts, Inc. (NYSE: MTN) today announced financial results for the second quarter of fiscal 2002, ending January 31, 2002.

Resort revenue for the quarter, which excludes revenue from real estate and technology operations, increased 0.6% to \$180.0 million from \$178.9 million in the comparable period of fiscal 2001. Total revenue for the quarter (including revenue from real estate and technology operations) was \$217.8 million compared to the \$189.4 million in the same period in 2001, an increase of 15.0%.

Earnings from resort operations before interest, income taxes, depreciation and amortization ("Resort EBITDA") for the second fiscal quarter increased 8.6% to \$56.5 million compared to earnings of \$52.0 million last year.

Real estate revenue for the second quarter of fiscal 2002 was \$36.7 million compared to \$9.8 million during the same period of the prior year, a 273.6% increase due to earlier than anticipated land sales. Real estate operating income for the quarter was \$8.4 million, compared to operating income of \$3.1 million in fiscal 2001, a 171.5% increase.

The net income for the quarter was \$22.9 million, or \$0.65 per diluted share, compared to last year's second quarter net income of \$16.1 million, or \$0.46 per diluted share. In accordance with Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets", which the Company adopted as of August 1, 2001, the Company no longer amortizes goodwill and other intangibles with indefinite lives, resulting in a favorable impact in fiscal 2002 of approximately \$0.03 per fiscal quarter.

Resort revenue for the six months ended January 31, 2002 decreased 0.9% to \$237.4 million from \$239.7 million in the same period last year. Total revenue was \$292.2 million compared to \$259.8 million in the first half of fiscal 2001, up 12.4%.

Resort EBITDA for the six-month period was \$31.9 million, down 4.4%.

Real estate revenues for the six months ended January 31, 2002 were \$52.5 million compared to \$18.8 million during the same period of the prior year. Real estate operating income for the six-month period increased \$6.9 million to \$14.7 million in fiscal 2002, compared to \$7.7 million in fiscal 2001.

The net loss in the first half of fiscal 2002 was \$1.5 million, or \$0.04 per diluted share. Net loss for the same six-month period last year was \$5.0 million, or \$0.14 per diluted share, an improvement of 71.4%. Due to seasonality of the business, losses in the first half of the year are anticipated.

Total skier days for the first half of fiscal 2002, which includes the Christmas and New Year holidays, were down 5.4% from the prior year to 2.1 million visits across all four resorts.

Adam Aron, chairman and chief executive officer of Vail Resorts said, "Despite the nationwide downturn in the travel industry following the September 11 terrorist attacks, Vail Resorts performed better in the second fiscal quarter than expected and better than last year, even during these uncertain times. The credit should be given to our extraordinary employees and their heroic efforts to provide excellent guest service while simultaneously tightly managing our costs."

Commenting on the current 2001-2002 ski season, Aron said, "We are very proud that, when others in the travel industry were facing huge shortfalls, Vail Resorts proved to be resilient and successful. Given the tough external circumstances in the second quarter, that we outpaced last year's record financial performance is a real accomplishment."

Commenting about the success of Vail Resorts Development Company, Aron also added, "Also deserving special praise is our Real Estate group, which despite a recession is well on its way to a banner year."

Aron further added, "Looking to the balance of the fiscal year, we believe positive booking trends will continue and we will

continue to make up lost ground. As a result, we are comfortable with the new higher range of analyst estimates for full fiscal year 2002."

For further discussion of the contents of this press release, please listen to our live webcast today at 11:00 am ET, available on www.vailresorts.com.

Vail Resorts, Inc. is the premier mountain resort operator in North America. The Company's subsidiaries operate the Colorado mountain resorts of Vail, Beaver Creek, Breckenridge and Keystone, and the Grand Teton Lodge Company in Jackson Hole, Wyo. In addition, the Company's Rockresorts luxury resort hotel company operates 11 resort hotels throughout the United States. The Vail Resorts corporate website is www.vailresorts.com and the consumer website is www.snow.com. Vail Resorts is a publicly held company traded on the New York Stock Exchange (NYSE: MTN).

Statements in this press release, other than statements of historical information, are forward looking statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected. Readers are cautioned not to place undue reliance on these forward-looking statements which speak only as of the date hereof. Such risks and uncertainties include but are not limited to general business and economic conditions, competitive factors in the ski and resort industries, failure to successfully integrate acquisitions, failure to achieve the expected improvement and to sustain the improved performance for fiscal year-end results, the impact of the September 11 terrorist attacks on the travel industry and the company and/or misinterpretation of same, the possibility of additional terrorist attacks, and the weather. Investors are also directed to other risks discussed in documents filed by the Company with the Securities and Exchange Commission.

Vail Resorts Contacts:

Investor Relations:

Leslie Roubos
(970) 845-2958
lroubos@vailresorts.com

Media:

Kelly Ladyga
(970) 845-5720
kladyga@vailresorts.com